

**TOWNSHIP OF HUME
COUNTY OF HURON
PORT AUSTIN, MICHIGAN
FINANCIAL REPORT
MARCH 31, 2005**

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name HUME TOWNSHIP		County HURON
Audit Date 03/31/2005	Opinion Date 06/01/2005	Date Accountant Report Submitted to State: 6/1/2005		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

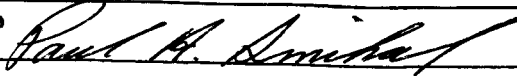
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☒ yes ☐ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) PAUL SMIHAL C.P.A.			
Street Address 6915 N CASEVILLE ROAD	City CASEVILLE	State MI	ZIP 48725
Accountant Signature 			

**TOWNSHIP OF HUME
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**PAUL A. SMIHAL
CERTIFIED PUBLIC ACCOUNTANT
6915 N. CASEVILLE ROAD
CASEVILLE, MICHIGAN 48725**

06/01/2005

State Treasurer
Local Audit Division
Treasury Building
Lansing, Michigan 48922

Re: Township of Hume
Audit as of March 31, 2005

Dear Sir:

This report is being written pursuant to section 7 (2) of the Public Act 2, P.A. of 1968 as amended. I have made an examination of the financial statements of the above mentioned local unit of government. My opinion dated June 1, 2005 with respect to these statements is included in my accountant's report submitted to you under date of June 1, 2005.

In accordance with the foregoing examination, I have complied with the minimum requirements as outlined in "Bulletin for the Audits of Local Units of Government in Michigan" (BUFALUG), as revised.

In accordance with the provisions of P.A. 275 of 1980, as amended, there are no accumulated deficits in the various fund balances of the above local unit, other than as disclosed in the financial statement including the notes thereto, or as described in the report of comments and recommendations. In addition, we found no substantive instances of noncompliance with the provision of P.A. 2 of 1968 (The Uniform Accounting and Budgeting Act) as amended, other than as disclosed in the financial statements including the notes thereto, or as described in the report of comments and recommendations as prescribed by the report guidelines for instances of non-compliance including in appendix B of the BUFALUG MANUAL.

I hereby state and affirm that I am a Certified Public Accountant registered to practice in the State of Michigan and am independent insofar as that term is defined by my profession.

A copy of my report of comments and recommendations, which has been forwarded to the aforementioned local unit of government, is enclosed.

In my report for the above-mentioned period, I have expressed an unqualified opinion with respect to the financial statements contained in this report.

In the last previous report by the local unit's independent Certified Public Accountant which covered the Period April 1, 2003 to March 31, 2004, an unqualified opinion was expressed.

Very truly yours

A handwritten signature in black ink, appearing to read "Paul A. Smihal", with a stylized flourish at the end.

Paul A. Smihal C.P.A.

**PAUL A. SMIHAL
CERTIFIED PUBLIC ACCOUNTANT
6915 N. CASEVILLE ROAD
CASEVILLE, MICHIGAN 48725**

06/01/2005

Honorable supervisor and
Members of Township Board
Township of Hume
Port Austin, MI 48467

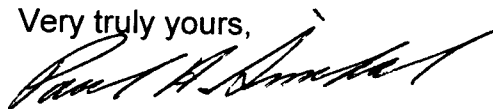
I have examined the combined financial statements of the Township of Hume, Port Austin, MI, and the combined individual fund, and account group financial statements of the Township as of and for the year ended March 31, 2005, as listed in the table of contents. My examination was made in accordance with generally accepted auditing standards and accordingly, included such test of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the combined financial statements referred to above present fairly the financial position of the Township of Hume, Port Austin, MI. at March 31, 2005, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Also in my opinion, the combining individual fund, and the account group financial statements referred to above present fairly the financial position of the individual funds and account groups of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

My examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining, individual fund, and account group statements. The accompanying financial information listed as supporting schedules in the table of contents is presented for purpose of additional analysis and is not a required part of the combined financial statements of the Township of Hume, Port Austin, MI. The information has been subjected to the auditing procedures applied in the examination of the combined, combining, individual fund, and account groups financial statements and in my opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Very truly yours,



Paul A. Smihal C.P.A.

FINANCIAL SECTION

**TOWNSHIP OF HUME
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
'MARCH 31, 2005**

	GOVERNMENTAL FIDUCIARY FUND TYPES		ACCOUNT GROUPS	TOTAL MEMORANDUM ONLY
	GENERAL	ENTERPRISE FUNDS	GENERAL FIXED ASSETS	
ASSETS				
Cash in bank	\$ 172,202	\$ 49,312	\$ 0	\$ 221,514
Taxes receivable - Current	3,810	15,305	0	19,115
Accounts receivable - Fire Stlmt	51,539	0	0	51,539
Due from Fire Fund	100	0	0	100
General Fixed Assets:				
Land and Building	0	0	51,643	51,643
Equipment	0	0	19,206	19,206
Furniture	0	0	3,931	3,931
Cemetery Improvements	0	0	555	555
Total Assets	227,651	64,617	75,335	367,603
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Due to General Fund		100	0	100
Accounts Payable	0	0	0	0
Payroll Taxes payable	1,591	0	0	1,591
Total Liabilities	1,591	100	0	1,691
FUND EQUITY				
Investment in General Fixed Assets	0	0	75,335	75,335
Fund Balance	226,060	64,517	0	290,577
Total Fund Equity	226,060	64,517	75,335	365,912
TOTAL LIABILITY & FUND EQUITY	227,651	64,617	75,335	367,603
	\$=====	\$=====	\$=====	\$=====

**TOWNSHIP OF HUME
COMPARATIVE BALANCE SHEET
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2005 & 2004**

ASSETS	March 31 2005	March 31 2004
CURRENT ASSETS		
Cash in bank	\$ 172,202	\$ 130,801
Tax Rec'ble - Current	3,810	5,290
Tax Rec'ble - DNR	0	5947
Account receivable Fire Settlement	51,539	60,128
Due from Tax Collection	0	3,282
Due from Fire Fund	100	0
Due from Road Fund	0	14,965
	'-----	'-----
Total Assets	\$ 227,651	\$ 220,413
	'=====	'=====
 LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to General Fund	\$ 0	\$ 3,282
Payroll taxes payable	1,591	1,569
	'-----	'-----
Total Liabilities	1,591	4851
 FUND EQUITY		
Fund Balance	226,060	215,562
	'-----	'-----
Total Fund Equity	226,060	215,562
	'-----	'-----
TOTAL LIABILITIES AND FUND EQUITY	\$ 227,651	\$ 220,413
	'=====	'=====

**TOWNSHIP OF HUME
TRASH FUND
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED MARCH 31, 2005 & 2004**

ASSETS	March 31 2005	March 31 2004
CURRENT ASSETS		
Cash in bank	\$ 47,273	\$ 44,283
Taxes receivable	9,766	11,869
	'-----	'-----
 Total Assets	 \$ 57,039 '=====	 \$ 56,152 '=====
 LIABILITIES AND FUND EQUITY		
Due to General Fund	0	0
	'-----	'-----
Total Liabilities	0	0
 FUND EQUITY		
Fund Balance	57,039	56,152
	'-----	'-----
Total Fund Equity	57,039	56,152
	'-----	'-----
TOTAL LIABILITIES AND FUND EQUITY	\$ 57,039 '=====	\$ 56,152 '=====

**HUME TOWNSHIP
ROAD FUND
COMPARATIVE BALANCE SHEET
FOR YEAR ENDED MARCH 31, 2005 & 2004**

ASSETS	March 31 2005	March 31 2004
CURRENT ASSETS		
Cash in bank	\$ 1,688	\$ 23,675
Taxes receivable	3,670	10,820
	<u> </u>	<u> </u>
 Total Assets	 \$ 5,358	 \$ 34,495
	<u> </u>	<u> </u>
 LIABILITIES AND FUND EQUITY		
Due to General Fund	0	14,965
	<u> </u>	<u> </u>
Total Liabilities	0	14,965
 FUND EQUITY		
Fund Balance	5,358	19,530
	<u> </u>	<u> </u>
Total Fund Equity	5,358	19,530
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND EQUITY	\$ 5,358	\$ 34,495
	<u> </u>	<u> </u>

**TOWNSHIP OF HUME
FIRE FUND
COMPARATIVE BALANCE SHEET
FOR YEARS ENDED MARCH 31, 2005 & 2004**

ASSETS	March 31 2005	March 31 2004
CURRENT ASSETS		
Cash in bank	\$ 352	\$ 24
Taxes receivable	1,869	5,395
	'-----	'-----
Total Assets	\$ 2,221	\$ 5,419
	'=====	'=====
 LIABILITIES AND FUND EQUITY		
Due to General Fund	100	0
	'-----	'-----
Total Liabilities	100	0
 FUND EQUITY		
Fund Balance	2,121	5,419
	'-----	'-----
Total Fund Equity	2,121	5,419
	'-----	'-----
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,221	\$ 5,419
	'=====	'=====

TOWNSHIP OF HUME
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND ENTERPRISES FUND
FOR THE YEAR ENDED MARCH 31, 2005

GOVERNMENTAL FIDUCIARY
FUND TYPES

	GENERAL	ENTERPRISE FUNDS	TOTAL MEMORANDUM ONLY
REVENUES			
Tax Levy	\$ 58,553	\$ 156,707	\$ 215,260
Penalty/Interest on Delinquent Tax	646	1,309	1,955
Interest	2,412	325	2,737
Trailer Tax	366	0	366
State Revenue	52,884	2,878	55,762
State Tax Collection Fee	3,400	0	3,400
Miscellaneous	1,007	0	1,007
Transfers In	0	13,759	13,759
Total Revenues	119,268	174,978	294,246
EXPENDITURES			
SALARIES			
Supervisor	7,930	0	7,930
Clerk	8,900	0	8,900
Treasurer	9,400	0	9,400
Trustee	2,940	0	2,940
Total Salaries	29,170	0	29,170
ADMINISTRATION			
Office supplies	5,603	0	5,603
Education	365	0	365
Travel	65	0	65
Mileage	65	0	65
Board of Review	200	0	200
Assessor	13,719	0	13,719
Legal fees	1,155	0	1,155
Print & Publishing	807	0	807
Hall repairs & maintenance	635	0	635
Insurance	3,187	0	3,187
Township dues	1,052	0	1,052
Utilities	1,968	0	1,968
Fica/Medicare	2,247	0	2,247
Miscellaneous	566	0	566
Audit and Accounting	1,350	0	1,350
Cemetery	1,050	0	1,050
Library	500	0	500
Election	2,318	0	2,318
Total Administration	36,852	0	36,852

TOWNSHIPOF HUME
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2005
(CONTINUED)

	GOVERNMENTAL FUND TYPES		TOTAL (MEMORANDUM ONLY)
	GENERAL	ENTERPRISE FUNDS	
PUBLIC SAFETY			
Fire Department - Port Austin	0	32,468	32,468
Fire Department	2,450	0	2,450
Ambulance	2,003	0	2,003
	-----	-----	-----
Total Public Safety	4,453	32,468	36,921
PUBLIC WORKS			
Drain at large - Arthur	270	0	270
Drain at large - Bayside	870	0	870
Drain at large - Schram/walker	6,912	0	6,912
Drain at large - Ruth	28	0	28
Drain at large - Taft	1,516	0	1,516
Garbage assessment	0	71,365	71,365
Road maintenance/construction	0	102,667	102,667
	-----	-----	-----
Total Public Works	9,596	174,032	183,628
TRANSFER OUT	13,759	0	13,759
	-----	-----	-----
Total Expenditures	93,830	206,500	300,330
Excess of Revenues Over (under) Expenditures	25,438	(31,522)	(6,084)
 Fund Balance at April 1, 2004	 215,562	 81,100	 296,662
	-----	-----	-----
Total Fund Equity	215,562	81,100	296,662
 TOTAL LIABILITY & FUND EQUITY	 241,000	 49,578	 290,578
	\$'=====	\$'=====	\$'=====

**TOWNSHIP OF HUME
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2005**

TAX COLLECTION FUND

	BALANCE March 31 2004		ADDITIONS		DELETIONS		BALANCE March 31 2005
ASSETS							
Cash	\$ 3,341	\$	198,885	\$	198,206	\$	4,020
	=====		=====		=====		=====
LIABILITIES							
Due to other Township Funds	325		0		325		0
Due to County	0		0		0		0
Due to Schools	0		0		0		0
Due to State Education	0		0		0		0
Due to Drains	0		0		0		0
Due to General Fund	3,016		4,020		3,016		4,020
	=====		=====		=====		=====
Total Liabilities	\$ 3,341	\$	4,020	\$	3,341	\$	4,020
	=====		=====		=====		=====

**TOWNSHIP OF HUME
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005**

NOTE 1 – SIGNIFICANT ACCOUNT POLICIES:

ACCOUNTING:

The financial statements for the year ended March 31, 2005, comprise those of all Township Funds. Such financial statements are maintained in accordance with principles of governmental account and State statutory requirements, applying the modified accrual basis of accounting for all funds. Revenue from State and Federal distributions are recorded when received in cash and Township property taxes and certain other revenues are recorded when taxes are levied or revenues earned. Expenditures are recorded as incurred.

ACCOUNTING FOR CAPITAL EXPENDITURES:

Generally accepted accounting principles applicable to governmental units as promulgated in the American Institute of Certified Public Accountants industry audit guide titles "Audit of State and Local Government Units" provide for differing accounting treatment for capital expenditures dependent upon the category of the funds from which the expenditures are made. In enterprise, intergovernmental service and certain trust funds, capital expenditures are capitalized in the fund and depreciated. In all other funds, including the General Fund, capital expenditures are treated in the same manner as other current expenditures in the fund and then to be recorded in a "general fixed asset" group of accounts.

The Township's accounting practices are in conformity with the above described generally accepted accounting principles.

BASIS OF PRESENTATION:

The financial activities of the Township of Hume are recorded in separate funds and are categorized as follows:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund.

Special Revenue Funds – Road Fund, Fire Fund, and Trash Fund, are used to account for specific governmental revenues requiring separate accounting because of legal and regulatory provision or administrative action.

**TOWNSHIP OF HUME
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005
(CONTINUED)**

NOTE 2 – BALANCE SHEET CASH AND INTEREST BEARING DEPOSITS:

Deposits are carried at cost. Deposits of the Township are at one bank. Act 217, P. A. 1982, authorizes the Township to deposit and invest in the accounts of federally insured banks, insured credit unions, and savings and loan associations: bonds and other direct obligations of the United States, or an agency or instrumentality of the United States: United States government or Federal agency obligation repurchase agreements: banker's acceptance of United States banks, commercial paper rated within the three highest classifications by not less than two standard rating services, which matures not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund: and mutual funds composed of investment vehicles which are prohibited security in the form of collateral, surety bond, or other form for the deposits of public money. An attorney General's opinion states that public funds may not be deposited in financial institutions located in states other than Michigan. The Township deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

<u>Deposits:</u>	<u>Carrying Amounts:</u>
Insured (FDIC)	\$221,514
Uninsured	-0-
Total Deposits	\$221,514

NOTE 3 – CHANGES IN GENERAL FIXED ASSETS:

	Balance March 31, 2004	Additions	Deletions	Balance March 31, 2005
Land and Bldg	\$51,643	0	0	\$51,643
Equipment	19,206	0	0	19,206
Furniture	3,931	0	0	3,931
Cemetery Improv	555	0	0	555
Totals	\$75,355	0	0	\$75,355

**TOWNSHIP OF HUME
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005**

NOTE 4 – TOTAL – (Memorandum only)

The "Memorandum Only" column represents the aggregate total of the various columnar statements by types and account groups. This total column is not comparable to a consolidation, and therefore, does not present consolidated information.

NOTE 5 – BUDGET

Hume Township adopts their budget by line item totals.

NOTE 6 – PROPERTY TAXES

	<u>TAXABLE VALUE</u>	<u>TOTAL MILEAGE</u>	<u>AMOUNT</u>
Roads	\$ 57,913,429	.9844	\$ 57,010
General	57,913,429	1.0226	59,222
Fire	57,913,429	<u>0.5000</u>	<u>28,957</u>
		2.5070	\$145,189

NOTE 7 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:

P. A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a line item basis. The approved budgets of the Township for these budgetary funds were adapted to the line item level.

NOTE 8 – JUDGEMENT – RECEIVABLE:

On October 26, 2000 Hume Township was granted a judgment against Kinde Area Fire Board, Meade Township and Lincoln Township in the amount of \$85,897.60, payable over a period of ten years, which yearly payments of \$8,589.76 until paid in full. This was entered on record as a receivable. When payments are received they will reduce the receivable until the balance is zero. Current amount due as of March 31, 2005 is \$51,538.56.

NOTE 9 – CONTRACTUAL FIRE PROTECTION:

At a meeting of the Township Board held on March 15, 1999, an agreement was approved with the Port Austin Area Fire Department for fire protection services only, commencing April 1, 1999 thru March 31, 2001. The Township will make an annual operating contribution to the Department of .5000 mill plus \$350.00 per run. The dollar amount paid will vary with the change in taxable value. The Township has paid \$32467.71 towards the contract during the year ended March 31, 2005. This contract was renewed on February 17, 2002 for a period of 10 years commencing April 1, 2001 until March 31, 2011. The financial terms of the contract remain the same as previous contracts.

SUPPLEMENTAL DATA

AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

HUME TOWNSHIP

My examination of HumeTownship for the year ended March 31, 2005, was made primarily for the purpose of formulating an overall opinion of the Township's combined balance sheet at March 31, 2005, and its combined statement of revenue, expenditures and changes in fund equity for the year then ended. The accompanying additional information has been compiled from the accounting applied in the examination of financial statements mentioned above. In my opinion, the supplemental statements presented for the year ended March 31, 2005 are fairly stated in all material respects in relation to the financial statement taken as a whole.

TOWNSHIP OF HUME
STATEMENT OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

GENERAL GOVERNMENT	BUDGET 2004-2005	ACTUAL 2004-2005	VARIANCE FAVORABLE (UNFAVORABLE)
Salaries:	\$	\$	\$
Supervisor and Deputy		7,930	
Treasurer and Deputy		9,400	
Clerk and Deputy		8,900	
Trustees		2,940	
Administration:			
Supplies and Material		5,603	
Education		365	
Travel		65	
Assessor		13,719	
Legal Fees		1,155	
Printing and Publishing		807	
Hall repairs and Maintenance		635	
Insurance		3,187	
Dues		1,052	
Utilities		1,968	
Taxes - FICA/Medicare		2,247	
Board of Review		200	
Miscellaneous		631	
Accounting fees		1,350	
Elections		2,318	
Cemetery		1,050	
Library		500	
Total General Government	\$ 66,022	\$ 66,022	\$ 0
PUBLIC SAFETY:			
Fire Protection		2,450	
Ambulance		2,003	
Total Public Safety	4,453	4,453	0
PUBLIC WORKS:			
Drains at Large		9,596	
Total Public Works	9,596	9,596	0
TRANSFERS OUT	13,759	13,759	0
TOTAL EXPENDITURES	\$ 93,830	\$ 93,830	\$ 0

TOWNSHIP OF HUME
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TRASH FUND
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	BUDGET 2004-2005	ACTUAL 2004-2005	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Current Tax Collections	\$	\$ 71,400	\$
Interest		230	
Interest/Penalty on Delq tax		622	
In lieu of taxes		0	
	-----	-----	-----
Total Revenues	72,252	72,252	0
 EXPENDITURES			
Trash Removal		71,365	
	-----	-----	-----
Total Expenditures	71,365	71,365	0
 EXCESS OF REVENUES			
(EXPENDITURES)	887	887	0
	\$=====	\$=====	\$=====
FUND BALANCE			0
Beginning of Year		56,152	
 FUND BALANCE			
End of Year		\$ 57,039	
		=====	

TOWNSHIP OF HUME
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ROAD FUND
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u> <u>2004-2005</u>	<u>ACTUAL</u> <u>2004-2005</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES:			
Current Tax Collections	\$	\$ 56,365	\$
Interest		71	
Interest/penalty delq tax		457	
Transfer from General Fund		13,759	
State revenue		2878	
	-----	-----	-----
Total Revenues	73,530	73,530	0
EXPENDITURES			
Dust Control/Construction/Repair		102,667	
	-----	-----	-----
Total Expenditures	102,667	102,667	0
EXCESS OF REVENUES			
(EXPENDITURES)		(29,137)	
	\$=====	\$=====	\$=====
FUND BALANCE			
Beginning of Year		34,495	
FUND BALANCE			
End of Year		\$ 5,358	

TOWNSHIP OF HUME
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FIRE FUND
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u> <u>2004-2005</u>	<u>ACTUAL</u> <u>2004-2005</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES:			
Current Tax Collections	\$	\$ 28,942	\$
Interest		23	
Interest/penalty delq tax		205	
	<u>29,170</u>	<u>29,170</u>	<u>0</u>
Total Revenues			
 EXPENDITURES			
Port Austin Fire Dept Contract		32,468	
	<u>32,468</u>	<u>32,468</u>	<u>0</u>
Total Expenditures			
 EXCESS OF REVENUES (EXPENDITURES)		(3,298)	0
	<u>\$=====</u>	<u>\$=====</u>	<u>\$=====</u>
 FUND BALANCE		5,419	
Beginning of Year			
 FUND BALANCE		\$ 2,121	
End of Year		<u>=====</u>	

**PAUL A. SMIHAL
CERTIFIED PUBLIC ACCOUNTANT
6915 N. CASEVILLE ROAD
CASEVILLE, MICHIGAN 48725**

June 1, 2005

Honorable Supervisor and
Members of Township Board
Township of Hume
Port Austin, MI 48467

Gentlemen:

I have recently concluded my examination of the accounting records of the Township of Hume for the year ended March 31, 2005. In connection with that examination, I wish to make the following comments and recommendations.

GENERAL FIXED ASSET GROUP OF ACCOUNTS

Generally accepted accounting principles require that a general fixed asset group of accounts be maintained by all governmental units. I was pleased to see that the Township has a list on file, and that it was reviewed before the audit.

INVESTMENTS

I was pleased to see that the Township invested excess money into savings resulting in a total of \$2,737 interest income for all funds combined.

BUDGET

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the township for these budgetary funds were adapted to the (functional) level.

RECOMMENDATIONS

The Fire Fund needs to maintain their own bank account, either savings or checking. All bank accounts should have the name of the fund on the account.

Deposits, withdrawals and daily transactions need to be made in a timely manner.

OTHER

This report is intended solely for the information and use of the Township of Hume's management, and others within administration. This restriction is not intended to limit distribution of this report which upon acceptance by the Township Board is a matter of public record.

I wish to thank the Officials of the Township of Hume for their cooperation during the course of my examination

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul A. Smihal", with a stylized flourish at the end.

Paul A. Smihal C.P.A.